

MINUTES OF THE SENATE WAYS AND MEANS COMMITTEE

The meeting was called to order by Chairman Dwayne Umbarger at 10:30 A.M. on March 16, 2005 in Room 123-S of the Capitol.

All members were present.

Committee staff present:

Norman Furse, Revisor of Statutes
Jill Wolters, Senior Assistant, Revisor of Statutes
Alan Conroy, Director, Kansas Legislative Research Department
J. G. Scott, Kansas Legislative Research Department
Debra Hollon, Kansas Legislative Research Department
Susan Kannarr, Kansas Legislative Research Department
Matt Spurgin, Kansas Legislative Research Department
Judy Bromich, Administrative Analyst
Mary Shaw, Committee Secretary

Conferees appearing before the committee:

Sue Peterson, Office of the President, Kansas State University (written)

Others attending:

See attached list.

Bill Introductions

Senator Taddiken moved, with a second by Senator Emler, to introduce a bill regarding school finance; relating to Local Option Budgets (5rs1143). Motion carried on a voice vote.

Senator Emler moved, with a second by Senator Taddiken, to introduce a bill regarding taxation, city and county, retailers' sales tax, that was requested by Chris Wilson of the Building Industry (5rs1150). Motion carried on a voice vote.

Senator Morris moved, with a second by Senator Emler, to introduce a conceptual bill regarding hydrogen sulfide gas and regulatory authority and safety. Motion carried on a voice vote.

Copies of the Kansas Legislative Research Department Budget Analysis Report for FY 2005 and FY 2006 were available to the committee.

Subcommittee budget reports on:

Kansas Corporation Commission Citizens Utility Ratepayer Board (Attachment 1)

Subcommittee Chairwoman Carolyn McGinn reported that the subcommittee on the Kansas Corporation Commission concurs with the Governor's recommendation in FY 2005 and concurs with the Governor's FY 2006 recommendations with adjustments.

Subcommittee Chairwoman Carolyn McGinn reported that the subcommittee on the Citizens Utility Ratepayer Board concurs with the Governor's recommendation in FY 2005 and concurs with the Governor's FY 2006 recommendations with adjustments.

Senator Emler moved, with a second by Senator McGinn, to adopt the subcommittee budget report on the Kansas Corporation Commission and the Citizens Utility Ratepayer Board in FY 2005 and FY 2006. Motion carried on a voice vote.

CONTINUATION SHEET

MINUTES OF THE Senate Ways and Means Committee at 10:30 A.M. on March 16, 2005 in Room 123-S of the Capitol.

The Chairman opened the public hearing on:

HB 2364--Authorizing the state board of regents to sell certain real estate

Written testimony was submitted by Sue Peterson, Kansas State University (Attachment 2).

The Chairman closed the public hearing on **HB 2364**.

Senator Schmidt moved, with a second by Senator Teichman, to report **HB 2364** favorable for passage. Motion carried on a roll call vote.

The meeting adjourned at 11:00 a.m. The next meeting is scheduled for March 17, 2005.

Senate Subcommittee Reports

FY 2005

FY 2006

on

State Corporation Commission
Citizens' Utility Ratepayer Board



Senator Carolyn McGinn, Chairperson



Senator Jay Scott Emler



Senator Chris Steineger

Senate Ways and Means
3-16-05
Attachment 1

House Budget Committee Report

Agency: State Corporation Commission **Bill No. --**

Bill Sec. --

Analyst: Deckard

Analysis Pg. No. Vol. 2, p. 1432

Budget Page No. 111

Expenditure Summary	Agency Estimate FY 05	Governor's Recommendation FY 05	House Budget Committee Adjustments
Special Revenue Funds:			
State Operations	\$ 18,218,227	\$ 18,218,225	\$ 0
Aid to Local Units	669,227	669,227	0
Other Assistance	0	0	0
TOTAL	\$ 18,887,454	\$ 18,887,452	\$ 0
FTE Positions	212.0	212.0	0.0
Non FTE Uncl. Perm. Pos.	6.5	6.5	0.0
TOTAL	218.5	218.5	0.0

Agency Estimate/Governor's Recommendation

The **agency's** estimate for FY 2005 is \$18,887,454, a decrease of \$410,264 or 2.1 percent below the approved amount. The majority of the decrease is in the amount estimated to be expended on costs associated with plugging abandoned oil and gas wells. A decrease of \$11,183 in anticipated federal funds for the Underground Injection Control program, is partially offset by an anticipated increase in federal funds of \$46,658 for a grant for the Gas Pipeline Safety program.

The **Governor** recommends FY 2005 expenditures of \$18,887,452, a decrease of \$410,266 or 2.1 percent below the approved amount. The recommendation is a reduction of \$2 from the agency estimate in the area of salaries and wages.

House Budget Committee Recommendation

The House Budget Committee concurs with the Governor's recommendation.

House Committee Recommendation

The House Committee concurs with the Budget Committee's recommendation.

Senate Subcommittee Report

Agency: State Corporation Commission **Bill No. --**

Bill Sec. --

Analyst: Deckard

Analysis Pg. No. Vol. 2, p. 1432

Budget Page No. 111

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The **Governor** recommends FY 2005 expenditures of \$18,887,452, a decrease of \$410,266 or 2.1 percent below the approved amount. The recommendation is a reduction of \$2 from the agency estimate in the area of salaries and wages.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

House Budget Committee Report

Agency: State Corporation Commission **Bill No.** HB 2482

Bill Sec. 39

Analyst: Deckard

Analysis Pg. No. Vol. 2, p. 1432

Budget Page No. 111

Expenditure Summary	Agency Request FY 06	Governor's Recommendation FY 06	House Budget Committee Adjustments
Special Revenue Funds:			
State Operations	\$ 18,601,134	\$ 18,969,459	\$ 0
Aid to Local Units	519,227	669,227	0
Other Assistance	0	0	0
TOTAL	\$ 19,120,361	\$ 19,638,686	\$ 0
FTE Positions	212.0	214.0	0.0
Non FTE Uncl. Perm. Pos.	6.5	6.5	0.0
TOTAL	218.5	220.5	0.0

Agency Request/Governor's Recommendation

The **agency** requests an FY 2006 operating expenditure limitation of \$19,120,361, an increase of \$232,907 or 1.2 percent above the FY 2005 revised estimate. The increase from the FY 2005 estimate includes: an increase of \$49,015 or 0.4 percent in salaries and wages attributable to an increase in fringe benefit costs; an increase of \$205,175 or 3.6 percent in contractual services attributable to an increase in well plugging expenditures, increases in professional services and increases in travel and subsistence ; an increase of \$3,490 or 0.9 percent in commodities attributable to an increase in motor vehicle fuel and parts; and an increase of \$125,227 or 94.6 percent in capital outlay attributable to the \$132,000 enhancement package to replace nine of the agency's vehicles. The increases are partially offset by a reduction of \$150,000 in aid to local units. The request includes the statutory transfers from the State Water Plan Fund and the State General Fund of \$400,000 each into the Abandoned Oil and Gas Well Fund.

The **Governor** recommends FY 2006 expenditures of \$19,638,686, an increase of \$751,234 or 4.0 percent above the FY 2005 recommendation. The recommendation is an increase of \$518,325 or 2.7 percent above the agency request. The recommendation includes the addition of: \$733,486 for salary adjustments; \$150,000 for the continued funding of the Kansas Energy Council; and \$67,439 and 2.0 FTE positions to support programs transferred from the Kansas Department of Transportation. These additions are partially offset by not transferring \$400,000 from the State General Fund to the Abandoned Oil and Gas Well Fund, and decreasing the expenditure limitation by the same amount, and only recommending funding for seven of the nine vehicles to be replaced, a reduction of \$32,600 from the enhancement request.

Statutory Budget Submission

KSA 75-6701 requires that the budget submitted by the Governor and the budget ultimately approved by the Legislature provide for a General Fund ending balance of at least 7.5 percent of expenditures for FY 2006. To comply with this provision, Volume 1 of the *Governor's Budget Report*

includes a "statutory budget" designed to provide for a 7.5 ending balance. In general, this requires a 8.9 percent reduction to the FY 2006 State General Fund executive branch budget recommendations submitted by the Governor. That reduction has not been applied to school finance funding in the Department of Education, to the Board of Regents and its institutions, or to the judicial or legislative branches. **For this agency, there would be no reduction to the Governor's recommended FY 2006 budget.**

House Budget Committee Recommendation

The House Budget Committee concurs with the Governor's recommendation with the following adjustments:

1. The House Budget Committee notes the need for a continuation of the provisos contained in 2004 HB 2675, with the exception of two. The Committee is of the understanding that all the provisos are contained in the Governor's recommendation. The Committee recommends removing the following proviso for consideration at Omnibus:

(d) During the fiscal year ending June 30, 2006, the executive director of the state corporation commission, with the approval of the director of the budget, may transfer additional moneys from the conservation fee fund of the state corporation commission, which are in excess of \$400,000 prescribed by KSA 2004 Supp 55-193 and amendments thereto, to the abandoned oil and gas well plugging fund of the state corporation commission: *Provided, however,* That the executive director of the state corporation commission shall certify each such transfer of additional moneys to the director of accounts and reports and shall transmit a copy of each such certification to the director of the legislative research department.

Additionally, the Committee notes that the following proviso included in 2004 HB 2675 is no longer required and is under the understanding that it is not contained in the Governor's recommendation:

(e) On July 1, 2004, or as soon thereafter as moneys are available, the director of accounts and reports shall transfer \$40,000 from the facilities conservation improvement fund of the department of administration to the facility conservation improvement program fund of the state corporation commission.

The proviso was contained in last year's bill to transfer funding associated with the facility conservation program which was transferred from the Department of Administration to the State Corporation Commission.

2. The Budget Committee recommends reducing the funding for the Kansas Energy Council (KEC) from \$150,000 to \$100,000. The Governor's recommendation includes funding of \$75,000 each from the Conservation Fee Fund and the Public Service Regulation Fund. The Committee recommends reducing the transfer from the Conservation Fee Fund from \$75,000 to \$25,000. The Budget Committee recommends that the agency be instructed to expend the remaining \$50,000 on site remediation projects in order to leverage potential federal funds.
3. K.S.A. 55-192 was enacted in 1996. As a result of this statute, the Abandoned Oil and Gas Well / Remediation Fund was created for the sole purpose of providing funding to the KCC for the plugging of abandoned wells and the remediation of contamination sites related to oil and gas activities prior to July 1,

1996. The 2001 Legislature amended KSA 55-193, which extended the quarterly fund transfers of \$100,000 each from the State Water Plan (SWP), State General Fund (SGF) and the Conservation Fee Fund (CFF) for seven additional years to July 1, 2009.

55-193. On July 15, 1996, and on the 15th day of each calendar quarter thereafter before July 1, 2009, the director of accounts and reports shall transfer \$100,000 from the state general fund, \$100,000 from the state water plan fund established by KSA 82a-951 and amendments thereto and \$100,000 from the conservation fee fund established by KSA 55-143 and amendments thereto to the abandoned oil and gas well fund established by KSA 2003 Supp. 55-192 and amendments thereto, except that: (a) No transfers shall be made pursuant to this section from the state water plan fund to the abandoned oil and gas well fund during state fiscal year 2004, and (b) no transfers shall be made pursuant to this section from the state general fund to the abandoned oil and gas well fund during state fiscal year 2004.

The following shows the past and current recommendations regarding the statutory transfers of the SWP, SGF, and the CFF.

	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>Gov Rec FY 2006</u>
State Water Plan	\$ 0	\$ 0	\$ 667,000	\$ 400,000
State General Fund	400,000	0	0	0
Conservation Fee Fund	400,000	400,000	400,000	400,000

The Committee recommends the issue of not making the statutory transfer of \$400,000 from the State General Fund per KSA 55-193 to be reviewed at Omnibus.

4. The Budget Committee notes the Governor's recommendation to add \$99,400 in fee funds to allow the agency to purchase seven vehicles. The Budget Committee concurs with the recommendation but recommends that the agency use the new vehicles to replace current arrangements including renting and reimbursement for private vehicles prior to replacing high mileage vehicles the agency already owns.
5. The Budget Committee strongly encourages the agency to review on-going energy grants to ensure reoccurring awards add value to the energy objectives. An example of a reoccurring award over the past several years is the KSU Kansas Energy Extension Service award, which provides energy education by a weekly column of *Ask Energenie* and a toll free number for citizens to ask energy questions.
6. The Budget Committee recommends that the agency engage in more public education to reduce violations on an agency-wide basis. The Budget Committee is interested in seeing a return on investment for training provided, especially in the Transportation Division.

The Budget Committee notes the following example of stated outcome measures from the agency's budget submission which raised the committee's concern.

Performance Measure	FY 2004 Actual	FY 2005 Estimate	FY 2006 Estimate
Percentage of motor carrier audits that result in identification of safety violations	91%	95%	95%

House Committee Recommendation

The House Committee concurs with the Budget Committee's recommendation.

Senate Subcommittee Report

Agency: State Corporation Commission **Bill No.** SB 270

Bill Sec. 39

Analyst: Deckard

Analysis Pg. No. Vol. 2, p. 1432

Budget Page No. 111

Expenditure Summary	Agency Request FY 06	Governor's Recommendation FY 06	Senate Subcommittee Adjustments*
Special Revenue Funds:			
State Operations	\$ 18,601,134	\$ 18,969,459	\$ (733,486)
Aid to Local Units	519,227	669,227	0
Other Assistance	0	0	0
TOTAL	\$ 19,120,361	\$ 19,638,686	\$ (733,486)
FTE Positions	212.0	214.0	0.0
Non FTE Uncl. Perm. Pos.	6.5	6.5	0.0
TOTAL	218.5	220.5	0.0

* The entire adjustment reflects deletion of the Governor's recommended salary plan adjustments.

Agency Request/Governor's Recommendation

The **agency** requests an FY 2006 operating expenditure limitation of \$19,120,361, an increase of \$232,907 or 1.2 percent above the FY 2005 revised estimate. The increase from the FY 2005 estimate includes: an increase of \$49,015 or 0.4 percent in salaries and wages attributable to an increase in fringe benefit costs; an increase of \$205,175 or 3.6 percent in contractual services attributable to an increase in well plugging expenditures, increases in professional services and increases in travel and subsistence ; an increase of \$3,490 or 0.9 percent in commodities attributable

to increase in motor vehicle fuel and parts; and an increase of \$125,227 or 94.6 percent in capital outlay attributable to the \$132,000 enhancement package to replace nine of the agency's vehicles. The increases are partially offset by a reduction of \$150,000 in aid to local units. The request includes the statutory transfers from the State Water Plan Fund and the State General Fund of \$400,000 each into the Abandoned Oil and Gas Well Fund.

The **Governor** recommends FY 2006 expenditures of \$19,638,686, an increase of \$751,234 or 4.0 percent above the FY 2005 recommendation. The recommendation is an increase of \$518,325 or 2.7 percent above the agency request. The recommendation includes the addition of: \$733,486 for salary adjustments; \$150,000 for the continued funding of the Kansas Energy Council; \$67,439 and 2.0 FTE positions to support programs transferred from the Kansas Department of Transportation. These additions are partially offset by not transferring \$400,000 from the State General Fund to the Abandoned Oil and Gas Well Fund, and decreasing the expenditure limitation by the same amount, and only recommending funding for seven of the nine vehicles to be replaced, a reduction of \$32,600 from the enhancement request.

Statutory Budget Submission

KSA 75-6701 requires that the budget submitted by the Governor and the budget ultimately approved by the Legislature provide for a State General Fund ending balance of at least 7.5 percent of expenditures for FY 2006. To comply with this provision, Volume 1 of the *Governor's Budget Report* includes a "statutory budget" designed to provide for a 7.5 ending balance. In general, this requires a 8.9 percent reduction to the FY 2006 State General Fund executive branch budget recommendations submitted by the Governor. That reduction has not been applied to school finance funding in the Department of Education, to the Board of Regents and its institutions, or to the judicial or legislative branches. **For this agency, there would be no reduction to the Governor's recommended FY 2006 budget.**

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendations of the Governor, with the following adjustments:

1. **Pay Plan Adjustment.** Delete \$280,752, none of which is from the State General Fund, to remove pay plan funding recommended by the Governor (a 2.5 percent base salary adjustment for all state employees) for consideration in a separate bill.
2. **Other Salary and Wage Adjustments.** Delete \$452,734, none of which is from the State General Fund, to remove funding recommended by the Governor for the 27th payroll period (\$414,615), and for the Kansas Public Employees Retirement System (KPERs) death and disability increase (\$38,119) for later Committee consideration.

House Budget Committee Report

Agency: Citizens' Utility Ratepayer Board

Bill No. --

Bill Sec. --

Analyst: Deckard

Analysis Pg. No. Vol. 2, p. 1447

Budget Page No. 87

<u>Expenditure Summary</u>	<u>Agency Estimate FY 05</u>	<u>Governor's Recommendation FY 05</u>	<u>House Budget Committee Adjustments</u>
Special Revenue Funds:			
State Operations	\$ 673,595	\$ 673,595	\$ 0
FTE Positions	5.0	5.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>5.0</u>	<u>5.0</u>	<u>0.0</u>

Agency Estimate/Governor's Recommendation

The **agency** estimate for FY 2005 expenditures is \$673,595, an increase of \$35,904 or 5.6 percent above the approved amount. The increase is attributable to the unexpended balance in professional services that carried forward from FY 2004. The agency is allowed to "carry forward" any unused balances in the Utility Regulatory Fee Fund for consulting fees from the previous year.

The **Governor** recommends FY 2005 operating expenditures of \$673,595, the same amount as the agency estimate.

House Budget Committee Recommendation

The House Budget Committee concurs with the Governor's recommendation.

House Committee Recommendation

The House Committee concurs with the Budget Committee's recommendation.

Senate Subcommittee Report

Agency: Citizens' Utility Ratepayer Board **Bill No. --** **Bill Sec. --**

Analyst: Deckard **Analysis Pg. No.** Vol. 2, p. 1447 **Budget Page No.** 87

<u>Expenditure Summary</u>	<u>Agency Estimate FY 05</u>	<u>Governor's Recommendation FY 05</u>	<u>Senate Subcommittee Adjustments</u>
Special Revenue Funds:			
State Operations	\$ 673,595	\$ 673,595	\$ 0
FTE Positions	5.0	5.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>5.0</u>	<u>5.0</u>	<u>0.0</u>

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The **agency** estimate for FY 2005 expenditures is \$673,595, an increase of \$35,904 or 5.6 percent from the approved amount. The increase is attributable to the unexpended balance in professional services that carried forward from FY 2004. The agency is allowed to "carry forward" any unused balances in the Utility Regulatory Fee Fund for consulting fees from the previous year.

The **Governor** recommends FY 2005 operating expenditures of \$673,595, the same amount as the agency estimate.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

House Budget Committee Report

Agency: Citizens' Utility Ratepayer Board

Bill No. HB 2482

Bill Sec. 40

Analyst: Deckard

Analysis Pg. No. Vol. 2, p. 1447

Budget Page No. 87

Expenditure Summary	Agency Request FY 06	Governor's Recommendation FY 06	House Budget Committee Adjustments
Special Revenue Funds:			
State Operations	\$ 723,916	\$ 735,067	\$ 0
FTE Positions	5.0	6.0	0.0
Non FTE Uncl. Perm. Pos.	1.0	0.0	0.0
TOTAL	<u>6.0</u>	<u>6.0</u>	<u>0.0</u>

Agency Request/Governor's Recommendation

The **agency** requests an FY 2006 expenditure limitation of \$723,916, an increase of \$50,321 or 7.5 percent above the FY 2005 revised estimate. The request includes two enhancement packages totaling \$86,336. Without the enhancements, the request is a decrease of \$36,015 from the FY 2005 revised request.

The **Governor** recommends FY 2006 operating expenditures of \$735,067, an increase of \$61,472 or 9.1 percent above the FY 2005 recommendation. The recommendation is an increase of \$11,151 or 1.5 percent above the agency's request. The recommendation includes one enhancement package of \$73,046 for the addition of a technical analyst FTE position and associated expenses. In addition, the recommendation includes \$24,441 for salary adjustments. The salary adjustments include the addition of: \$1,246 for KPERS death and disability payments; \$13,848 to fund the 27th payroll period; and \$9,347 for the 2.5 percent base salary adjustment for state employees.

Statutory Budget Submission

KSA 75-6701 requires that the budget submitted by the Governor and the budget ultimately approved by the Legislature provide for a State General Fund ending balance of at least 7.5 percent of expenditures for FY 2006. To comply with this provision, Volume 1 of the *Governor's Budget Report* includes a "statutory budget" designed to provide for a 7.5 ending balance. In general, this requires a 8.9 percent reduction to the FY 2006 State General Fund executive branch budget recommendations submitted by the Governor. That reduction has not been applied to school finance funding in the Department of Education, to the Board of Regents and its institutions, or to the judicial or legislative branches. **For this agency, there would be no reduction to the Governor's recommended FY 2006 budget.**

House Budget Committee Recommendation

The House Budget Committee concurs with the Governor's recommendation with the following notations:

1. The House Budget Committee concurs with the Governor's recommendation to add 1.0 FTE position to this agency in FY 2006. The position is a technical analyst to assist the agency in accomplishing its mission by providing in-house technical expertise and to serve as an agency witness on smaller cases where the use of outside consultants is impractical.
2. The Budget Committee recommends that if the agency is able to accomplish both objectives of the submitted enhancement requests including: the addition of a technical analyst position and a salary upgrade for the attorney position to a Deputy Consumer Counsel, in the amount recommended by the Governor of \$73,046, the agency be allowed to do so.
3. The House Budget Committee notes the need for a continuation of the proviso contained in 2004 HB 2675 that allows the agency to carry forward any remaining balances for consulting fees from the previous year. The Committee is of the understanding that the proviso is contained in the Governor's recommendation.

House Committee Recommendation

The House Committee concurs with the Budget Committee's recommendation.

Senate Subcommittee Report

Agency: Citizens' Utility Ratepayer Board **Bill No.** SB 270 **Bill Sec.** 40

Analyst: Deckard **Analysis Pg. No.** Vol. 2, p. 1447 **Budget Page No.** 87

Expenditure Summary	Agency Request FY 06	Governor's Recommendation FY 06	Senate Subcommittee Adjustments*
Special Revenue Funds:			
State Operations	\$ 723,916	\$ 735,067	\$ (24,441)
FTE Positions	5.0	6.0	0.0
Non FTE Uncl. Perm. Pos.	1.0	0.0	0.0
TOTAL	6.0	6.0	0.0

*The entire adjustment reflects deletion of the Governor's recommended salary plan adjustments.

Agency Request/Governor's Recommendation

The **agency** requests an FY 2006 expenditure limitation of \$723,916, an increase of \$50,321 or 7.5 percent above the FY 2005 revised estimate. The request includes two enhancement packages totaling \$86,336. Without the enhancements, the request is a decrease of \$36,015 below the FY 2005 revised request.

The **Governor** recommends FY 2006 operating expenditures of \$735,067, an increase of \$61,472 or 9.1 percent above the FY 2005 recommendation. The recommendation is an increase of \$11,151 or 1.5 percent above the agency's request. The recommendation includes one enhancement package of \$73,046 for the addition of a technical analyst FTE position and associated expenses. In addition, the recommendation includes \$24,441 for salary adjustments. The salary adjustments include the addition of: \$1,246 for KPERS death and disability payments; \$13,848 to fund the 27th payroll period; and \$9,347 for the 2.5 percent base salary adjustment for state employees.

Statutory Budget Submission

KSA 75-6701 requires that the budget submitted by the Governor and the budget ultimately approved by the Legislature provide for a State General Fund ending balance of at least 7.5 percent of expenditures for FY 2006. To comply with this provision, Volume 1 of the *Governor's Budget Report* includes a "statutory budget" designed to provide for a 7.5 ending balance. In general, this requires a 8.9 percent reduction to the FY 2006 State General Fund executive branch budget recommendations submitted by the Governor. That reduction has not been applied to school finance funding in the Department of Education, to the Board of Regents and its institutions, or to the judicial or legislative branches. **For this agency, there would be no reduction to the Governor's recommended FY 2006 budget.**

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendations of the Governor, with the following adjustments:

1. **Pay Plan Adjustment.** Delete \$9,347, none of which is from the State General Fund, to remove pay plan funding recommended by the Governor (a 2.5 percent base salary adjustment for all state employees) for consideration in a separate bill.
2. **Other Salary and Wage Adjustments.** Delete \$15,094, none of which is from the State General Fund, to remove funding recommended by the Governor for the 27th payroll period (\$13,848), and for the Kansas Public Employees Retirement System (KPERS) death and disability increase (\$1,246) for later Committee consideration.



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MEMORANDUM

TO: Senate Ways and Means Committee

FROM: Sue Peterson

DATE: March 16, 2005

RE: SB 2364

Parcel 1: The University is seeking authority to sell land and a structure owned by the Kansas State University Student Union. The parcel is 0.856 acre and the structure has 11,000 gross square feet. The Union purchased the property with revenue bond proceeds in June of 1996 for \$246,000. The property was purchased by the Union to use as a storage facility for the vending and bookstore operations. The Union has outsourced those activities and does not need the property.

The Student Union currently leases the facility to a private entity and no longer wishes to maintain it. The Student Union proposes to sell the facility and currently plans to use the proceeds to help finance the cost of an addition to the Union (a proposed center for student activities).

Parcel 2: The University seeks authority to sell 201.7 acres of land located at Cheney Reservoir. The University's Department of Horticulture has used this property for educational and research purposes for the past 30 years. The senior scientist who worked on the property plans to retire shortly. The University does not plan to assign a replacement scientist since the long-term research done at the reservoir site has been completed. Proceeds from the sale of the property would be deposited in the department's restricted fee account.

Parcel 3: The University is seeking approval to sell two parcels of land to Meadowlark Hills Retirement Community. The two parcels of land owned by the University total 3.24 acres (Parcel A has 2.98 acres and Parcel B has .26 acre). Meadowlark Hills had an appraisal completed that indicated the two parcels of land are appraised at a total of \$29,000. The University currently cannot use the land for research because of its proximity to Meadowlark Hills.

Senate Ways and Means
3-16-05
Attachment 2